

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

**MINUTES
April 18, 2016**

- I. Call to Order. Chair Tina Smith called the meeting to order at 1:00 p.m. at the Mayo Civic Center, Riverview Suite, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, Council Member Mark Hickey, Commissioner Jim Bier, Susan Park Rani, Mayor Ardell Brede and Michael Dougherty.
- III. Approval of Agenda. Chair Smith asked for a motion to move items XI, XII and XIII to follow item VII on the Agenda. Commissioner Bier moved approval. Mr. Dougherty seconded.

Ayes (6), Nays (0), Motion carried.

Mr. Dougherty moved approval of the Agenda as amended. Council Member Hickey seconded.

Ayes (6), Nays (0), Motion carried.

- IV. Approval of Minutes. Chair Smith requested a motion to approve the Minutes from the meeting held on December 17, 2015. Mayor Brede moved approval. Commissioner Bier seconded.

Ayes (6), Nays (0), Motion carried.

- V. Public Comment Period. Chair Smith invited members of the community to provide comments.

Al Lun, a member of the Rochester YMCA Board of Directors, called attention to the collaboration between the YMCA, UMR and Rochester Parks and Recreation in the UMR/Recreation sub-district and proposed that an advisory board to be convened.

Richard Olen, a resident of Shoreview, MN, spoke in support of ongoing transportation system integration efforts and mentioned the public-private partnership that supported the creation of the Indianapolis people mover.

MaryJo Majerus, owner of Healing Touch Spa, spoke on behalf of the merchants in University Square about vibrancy in downtown Rochester. Ms. Majerus spoke in favor of repurposing the Chateau Theatre into a multi-purpose performing arts venue.

- VI. Chair's Report. Chair Smith called attention to the Post-Bulletin Special Report and noted that the Board agenda would focus on "marketing, metrics, and momentum."

- VII. April 1 Report to DEED.

Resolution B: Ratifying Execution and Transmission of April 1 Report to DEED. Gary Neumann, City of Rochester, and Doug Holtan, Mayo Clinic, reviewed the 2015 report on private investments made to the Minnesota Department of Employment and Economic Development ("DEED"). Private investment totaled \$106.2 Million. Cumulative investment now totals \$152.4 Million.

Commissioner Bier moved approval of Resolution B. Mr. Dougherty seconded.

Ayes (6), Nays (0), Motion carried.

- VIII. Resolution C: Commendation for Bill George. Chair Smith noted that Mr. George and Council Member Hruska played an integral role as “founding members” of the DMCC.

Mayor Brede moved approval. Council Member Hickey seconded.

Ayes (6), Nays (0), Motion carried.

- IX. Resolution D: Commendation for Ed Hruska. Mayor Brede moved approval. Council Member Hickey seconded.

Ayes (6), Nays (0), Motion carried.

- X. City of Rochester.

- A. Report on Projects Pending or Underway. Council President Randy Staver updated the DMCC board on projects in the DMC District, including the Conley-Maass renovation, the Buckeye project, Lofts at Mayo Park, and First Avenue Flats.

President Staver also reported that the proposed Bloom project continues to move through the joint City-DMC development process, with various due diligence items underway.

President Staver reported on the City's work to create public design standards. The guidelines, created with support from the University of Minnesota Metropolitan Design Center, will be shared with the DMCC and City Council.

The City of Rochester is upgrading sewer lines near Mayo Clinic Hospital- Saint Marys Campus due to the hospital's continued growth. President Staver remarked that Mayo Clinic's investment in Rochester is appreciated.

President Staver noted that his report demonstrates growth in the DMC district, and Commissioner Bier and Ms. Park Rani congratulated the City and Mayo Clinic on this trend. Ms. Park Rani also noted that the DMC legislation includes a component for Women and Minority-Owned Business Enterprises (“WMBE”) inclusion. President Staver stated that the City continues to actively solicit for WMBE in public projects. President Staver also stated that the City works to balance its interest in supporting local firms with its desire to include WMBE in public projects. Ms. Park Rani asked General Counsel Kathleen Lamb whether the DMC legislation specifically called for local WMBE inclusion. Ms. Lamb stated that efforts must be made to include WMBE in public infrastructure projects.

- B. Transportation Management: Update. Gary Neumann, City of Rochester, and Ken Holte, SRF Consulting, provided an update on the City-led transportation management efforts. Mr. Neumann reported that City DMC costs through 2015 totaled \$9.8 Million. Mr. Neumann noted that the DMC Development Plan estimated \$1.8 Billion in infrastructure capital costs over the 20-year plan.

The City is leading five studies centered on transportation management, parking, transit, streets, and bikes/pedestrians. In March, a Statement of Qualifications was issued for each of the five study areas. Scoping and budgeting for the studies is underway.

Ms. Park Rani asked several questions related to the transportation management consultant process and how the City would engage WMBE firms. Questions centered on the City's transportation session on March 2-3, how many of the attending firms were women-

or minority- owned, whether the firms that attended the March 2-3 session might enjoy a competitive advantage over other firms when responding to subsequent City RFP's or applying for work within Rochester, and how strategies advanced by SRF Consulting are actively soliciting for WMBE.

Mr. Neumann noted that all firms moving forward must consider WMBE requirements and that the City is working to include more WMBE firms. Mr. Holte noted that SRF has identified four to five agencies with whom to discuss "best practices." SRF Consulting will be interviewing teams that successfully engaged WMBE firms.

Ms. Park Rani encouraged SRF to expand its efforts, and that inclusion efforts cannot be thought of as "add-ons." Successful criteria for any project includes quality, schedule, budget and participation.

Mayor Brede asked if transportation initiatives in other metropolitan areas are being evaluated. Mr. Holte stated that the City and SRF continue to examine other projects.

Chair Smith noted that the proposal includes an outline of how transit funds will be allocated, and Mr. Neumann stated that much of the funding will be from private developers. Chair Smith suggested that the City meet with Ms. Park Rani, a successful business owner, as a resource on WMBE matters.

XI. Economic Development Agency.

- A. Discovery Square Update. Lisa Clarke, EDA Executive Director, reported that activity exists in every DMC sub-district and City and EDA staff meet weekly to move projects ahead.

The Discovery Square feasibility study is complete and Mayo Clinic continues to review the report in detail. The feasibility report affirms the original intention of the DMC Development Plan to create an urban bioscience research campus.

The EDA, Rochester Convention and Visitors Bureau, and Mayo Clinic have jointly created hospitality industry standards to elevate the patient and visitor experience.

- B. Development Process/Resource Materials. Patrick Seeb, EDA, and Terry Spaeth, City of Rochester, discussed the DMC Developer Resource Guide. Mr. Seeb noted that City and EDA staff have conferred with local developers to streamline the development process and have assembled the resource guide to better serve interested developers and investors.

Mr. Dougherty asked who was in charge for leading each development project. Ms. Clarke described the DMC governance structure, including the roles of the DMCC board, EDA board, and Rochester City Council. Chair Smith stated that there should be one person in charge of shepherding a project through the development process. She also noted that the DMCC and City Council are ultimately responsible for the success of DMC and directing the best use of public funds. Commissioner Bier stated that Mr. Dougherty, as a successful business owner, could be an asset in reviewing the development process.

- C. Heart of the City: Public Space Design Update. Tom Fisher, University of Minnesota Metropolitan Design Center and EDA Board member, and Mr. Seeb provided an update on the Heart of the City Public Space Design efforts. The City and EDA are working with the Heart of the City Community Advisory Committee (CAC) to select firms for the public space design. Mr. Fisher noted that the diverse group of firms, which includes woman- and minority-owned firms, are some of the best in the country. Mr. Fisher also noted that the strength of the qualifications indicates the high level of interest in DMC throughout the country.

- D. Chateau Theatre Task Force: Update. Mr. Seeb reported that Mayor Brede leads a task force charged with completing a 15-month workplan. After the City closed on the purchase of the theatre, the task force conducted site visits and recommended renovating the theatre into a multi-purpose performing arts venue. Mr. Seeb reported that assessments of the property and community input events will be conducted by the task force and City.
- E. St. Marys Place: Update. Mr. Seeb stated that the development plan for Saint Marys Place includes transforming the west end of Second Street SW into a "gateway" into downtown Rochester. He said that significant private development interest exists in the sub-district, and the City and EDA have organized meetings with residents, business owners, developers, and elected officials to examine the sub-district in a holistic fashion.
- F. Energy and Sustainability: Update. Mitchell Abeln, EDA, reported that the EDA, City of Rochester, Minnesota Energy Resources Corporation ("MERC"), Rochester Public Utilities ("RPU"), Olmsted County, and Mayo Clinic have met multiple times to review CEE's report and discuss guidelines for energy and sustainability.

Resolution A: Adopting Goals; Establishing a Technical Advisory Committee.

Mr. Dougherty moved approval. Commissioner Bier seconded.

Ayes, (6), Nays (0), Motion carried.

- G. DMC Dashboard: Update. Craig Helmstetter, Wilder Foundation, and Mr. Abeln discussed the work that Wilder and EDA have engaged in with respect to the DMC Dashboard metrics. Mr. Helmstetter noted the value the dashboard will bring in informing the decisions of the DMCC, and outlined the numerous DMC measurable outcomes and the indicators which will demonstrate progress. The dashboard will be populated with historical data and include a visual representation and inaugural narrative report.

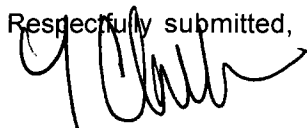
Chair Smith thanked Wilder Foundation for its support of the DMC initiative.

- H. Marketing Plan: Update. Mary Welder, EDA, updated the DMCC on the EDA's work with Minneapolis-based marketing firm Clarity Coverdale Fury ("CCF"). CCF is completing a brand narrative and marketing plan. The final plan will be presented to the DMCC in May 2016.

Mr. Dougherty asked about the amount and term of CCF's contract. Ms. Welder stated that the Phase 1 portion of the contract was \$50,000.

- XII. DMCC 2016 Budget: Year to Date Update. DMCC Treasurer Bier noted that only three percent of the DMCC/DMC EDA Budget has been spent as of the most recent budget report.
- XIII. Meeting Schedule. The next regular meeting of the DMCC is Thursday, May 23, 2016, at 9:30 a.m.
- XIV. Adjournment. Chair Smith adjourned the meeting.

Respectfully submitted,



Lisa Clarke
Secretary

